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U.S. EPA REGION 10  
OFFICE OF REGIONAL COUNSEL

July 3, 2008

U.S. Environmental Protection Agency  
Region 10  
Attn: Cara Steiner-Riley  
Office of Regional Counsel  
Mail Code ORC 158  
1200 Sixth Avenue, Suite 900  
Seattle, WA 98101

Re: Supplemental Section 104 Responses

Dear Ms. Steiner-Riley:

I write to supplement the Section 104 responses I sent you earlier this week. By way of further answer to some of the questions you posed by phone, as reflected in the Section 104 requests themselves, I offer the following.

First, I was incorrect that Alice Consolidated leased its claims to U.S. Silver. The actual Lessee is Golden Eagle Mining Corporation. That lease agreement will follow under separate cover.

Second, by way of further response to your questions regarding insurance. I write with respect to each of the companies identified.

Alice Consolidated. We have located an entry indicating \$183 of insurance expense in 1972. This is the only occurrence. Alice Consolidated was formed in 1969. It was formed through the merger of several other entities (United Lead Zinc, Mullan Silver Lead, and Alice Silver-Lead). My client does not have complete records for these prior companies before their merger into Alice Consolidated. Hence, the only insurance entry is the one identified above.

Callahan Consolidated. This company was formed in 1935. Financial information was reviewed from 1955 through the present (the available information). No insurance expense entries could be found.

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ALICE - CDA dm - 0003

July 3, 2008

Page 2

Constitution. This company was formed in 1967. A review of all financial records shows no insurance expense from the company's inception to date.

Golconda. There are records that have now been located indicating insurance expenses yearly from 1977 through 2000. The company is endeavoring to locate a policy and has called its agent. The agent indicates that policies are only retained for five years. Of course, you should recall, as I have written on numerous occasions, that the Golconda to which you make reference was formed in 1970 and has no relationship with the present day Golconda. The predecessor Golconda was purchased, I believe, by Rego Corp. of Chicago. Again, I have written on this issue numerous times and am happy to revisit it with you to discuss this historical scenario. Records regarding the former Golconda (the Golconda presumably of interest to EPA) are likely held by others. It is possible that there were insurance policies procured by that entity but we have no means to review the information or obtain the same.

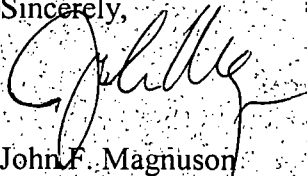
Highland Surprise. Financial statements for Highland Surprise were reviewed from 1951 through the present. There is insurance expense for fire, liability and employee hospitalization for the years 1951 through 1957. We could find no information on the policies.

Hypothek. Records were reviewed for Hypothek from 1968 through the present. There is no indication of any insurance expense.

Nevada Stewart. Records were reviewed for Nevada Stewart for the period 1960 to the present. There was no indication of any insurance payments.

After you have reviewed this, please feel free to contact me so that we can continue to provide the information you deem necessary. Thank you.

Sincerely,



John F. Magnuson

JFM/krm

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